THE WASHINGTON POST

Wealthy Mystery Man Surfaces on Hill

Beneficiary of Tax Break Revealed as Heir to Fish Fortune

7/14/95

By R.H. Melton
Washington Post Staff Writer

When Republicans in Congress moved swiftly last month to kill a Democratic proposal to tax wealthy expatriate Americans, Capitol Hill buzzed with speculation about which overseas millionaire had hired the high-powered lobbyists helping block the tax.

Was it the soup fortune heir living in Ireland? Or the cup company president now a citizen of the Central American country of Belize? Reporters and Hill staffers could not identify the mystery man.

Well, it turns out Mr. X was Joe B.

Joseph J. Bogdanovich, son of the founder of tuna fish giant Star-Kist Foods and a resident of England, was a client of the California law firm that hired former representative Guy Vander Jagt (R-Mich.) to lobby against the tax, according to a disclosure form Vander Jagt has filed with Congress. Bogdanovich, a major financial backer of Republican causes known to corporate colleagues as Joe B, is a client of the Los Angeles firm of Loeb & Loeb, which in turn hired Vander Jagt. Bruce M. Stiglitz, a law school chum of Vander Jagt's and partner at Loeb & Loeb, would not comment yesterday.

"Whatever he filed, he filed," Stiglitz said of Vander Jagt. "I can't discuss my client."

Vander Jagt said yesterday he never spoke to Bogdanovich during the brief spell the lobbyist raised questions about the effect of the tax. The White House and congressional Democrats had hoped to close the legal loophole that allows noncitizens to avoid taxes on capital gains and estates, but House Republicans killed it for now.

About two dozen wealthy Americans have renounced their citizenship, and supporters of the tax said it would generate more than $1 billion in the next five years. But Vander Jagt, a former member of the tax-writing Ways and Means Committee, and lobbyist Steve Symms, a former GOP member of the Senate Finance Committee, argued the tax had grave constitutional and mechanical problems. Vander Jagt said yesterday Bogdanovich has renounced U.S. citizenship, but was not certain when that happened. Bogdanovich, 83 next month, is a vice chairman of H.J. Heinz Co., which acquired Star-Kist foods in 1963. He has been based in London about a year, Heinz spokeswoman Debora A. Foster said yesterday from company headquarters in Pittsburgh.

Star-Kist was founded in 1917 by Martin J. Bogdanovich, a Yugoslavian immigrant who, as a California boat captain, revolutionized the fishing industry by refrigerating his catch with crushed ice. He turned over management of the company to his son, Joseph, in 1937.

Over the past 15 years, the younger Bogdanovich has given to Republicans and Democrats, though favoring the GOP. Records at the Federal Election Commission and in various states show he gave more than $170,000 to GOP causes and about $107,000 to Democrats.